



East Bay Municipal Utility District

Fourth Annual California Municipal Finance Conference

***Bond Buyer 16th Annual California Public
Finance Conference***

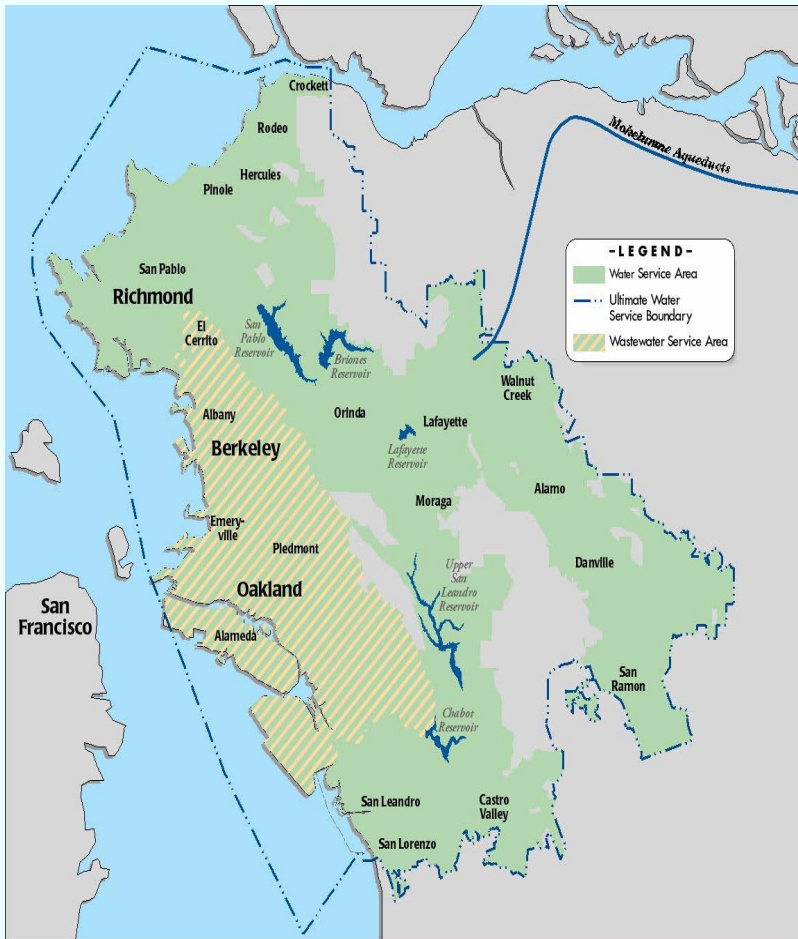
Revealing OPEBs in Your Financials

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EBMUD Overview



- 💧 Municipal utility district providing water and wastewater services to East Bay
- 💧 Population Served: 1.4 million
- 💧 Size of Service Area: 325 square miles
- 💧 Total Revenues: \$412 million
- 💧 Total Assets: \$3.7 billion
- 💧 Total Debt Outstanding: \$2.1 billion
- 💧 Bond Rating: AA

Overview of Retirement System

- ◆ 1,801 active participants
- ◆ 1,052 retired participants and beneficiaries
- ◆ Contribution rates: District 26.4%, Employee 6.83%
- ◆ Actuarial value of assets- \$696 million
- ◆ Actuarial accrued liability- \$1 billion
- ◆ Funded ratio- 69.5%
- ◆ Retirement formula
 - 2.6% for each year of service
 - Average of highest two years of salary
 - Full retirement at age 54 and 30 years of service

HIB Benefit

- 💧 Vested benefit of \$450/month for retiree, and \$550/month for retiree plus one
- 💧 Fully vested with 20 years service, vest in 25% increments every 5 years
- 💧 Survey HIB provided by other agencies annually and adjust benefit periodically
- 💧 Set up as a trust fund
- 💧 Actuarial accrued liability of \$72 million
- 💧 Funded ratio of 4.7%

HIB Issues

- **Ad hoc increases to HIB increase accrued liability and result in low funding percentage**
 - In future plan to fund the prior service cost up front
- **Pressure from retirees and active employees to have fully funded HIB for retiree plus one**
 - Only consider improvements to HIB during MOU negotiations
- **Unfunded liability will decline slowly over 30 years**
 - Consider shorter amortization period
- **Short-term investment performance should not guide long-term benefit decisions**